

kills kids, kills people, is addictive, and is targeted on kids. It is just absolutely inexcusable that we would consider doing this.

I certainly hope to be able to offer amendments that strip this out of the bill. It will be difficult because there are a lot of parliamentary games going on around here right now. But it would be my hope that we could accomplish that.

Mr. President, I yield such time as I may have.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

AMERICAN COMPETITIVENESS ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1723, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1723) to amend the Immigration and Nationality Act to assist the United States to remain competitive by increasing the access of the United States firms and institutions of higher education to skilled personnel and by expanding educational and training opportunities for American students and workers.

The Senate proceeded to consider of the bill.

Mr. HUTCHINSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HUTCHINSON). Without objection, it is so ordered.

Mrs. FEINSTEIN. I ask unanimous consent to speak in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. FEINSTEIN. Mr. President, I thank the Chair.

(The remarks of Mrs. FEINSTEIN pertaining to the submission of S. Con. Res. 97 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Mrs. FEINSTEIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ABRAHAM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABRAHAM. Mr. President, as we begin debate on S. 1723, I would like to begin by yielding to the Senator from California for purposes of making a unanimous consent request.

The PRESIDING OFFICER. Under the previous order, there will be now 2

hours of general debate on the bill equally divided and controlled.

The Senator from California.
Mrs. FEINSTEIN. I thank the Chair. I thank the Senator.

PRIVILEGE OF THE FLOOR

Mrs. FEINSTEIN. I ask unanimous consent that Sandra Shipshock, a State Department fellow with Senator KENNEDY's staff, be given floor privileges for consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABRAHAM addressed the Chair.
The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. I thank the Chair.
(At the request of Mr. ABRAHAM, the following statement was ordered to be printed in the RECORD.)

• Mr. HATCH. Mr. President, the Senate is today considering The American Competitiveness Act of 1998, a modest, balanced, and critical change in our immigration laws.

The bill does three very important things: (1) it raises the limit on the annual number of temporary visas allowed for highly skilled foreign born professionals for a five-year period; (2) it increases enforcement and penalties to ensure the program works as intended; and (3) it increases the opportunities for American students and workers to fill the shortage of skilled high tech workers.

As we approach the 21st century, Mr. President, we face a critical challenge with respect to our workforce. The challenge concerns whether and how America's businesses and America's educational institutions are preparing the potential workforce for the 21st century.

It is estimated that about ten percent of this country's current information technology jobs are vacant and that this critical shortage of programmers, systems analysts, and computer engineers will increase significantly in the next decade.

In few places is this shortage more acute than in my own state of Utah where the high tech industry grew by 12 percent in 1996 and where our 1,900 high tech companies plan to add almost 20,000 jobs annually in the next three years. The primary potential impediment to our state's growth is the shortage of skilled workers.

Frankly, as I see it, we are only facing a real crisis if we fail to respond. For now I view it as an opportunity and a challenge; perhaps the greatest challenge of the next century. This challenge is to match the needs of high tech employers with the preparedness of and opportunities for the American worker.

Meeting this challenge effectively will demand the attention and commitment of businesses large and small; of our educational system at every level; of government, principally at the state and local level; and of parents and students as well. All of these entities must be working in partnership.

Just weeks ago, Mr. President, a new comprehensive international study

listed American high school seniors as among the industrial world's least prepared in mathematics and science. Further, in advanced subjects like physics and advanced math not one of the countries involved scored lower than the U.S. If we ever needed a wake-up call, this is it.

It is in everyone's individual interests, as well as in the overall interests of this country, to enter the next century with a well-trained workforce that will help keep American companies competitive in the global economy.

Admittedly, as the grandparent of 17 young children who will be entering the workforce in the next century, I am enthusiastic that technology has opened so many tremendous opportunities. It remains clear that human capital is still the greatest asset this country has. Without human know-how, the most sophisticated of computers is just a dumb machine.

Given that, there is no reason for any individual in our society who is willing to work should be left behind—not women, minorities, or the disabled. Responding aggressively and intelligently to the need to educate, train, and retrain the potential pool of high tech workers in the next century is the kind of affirmative action that can ensure that all individuals have the opportunity to work hard and prosper in the next century.

It is, however, an unfortunate reality that this kind of long term solution is insufficient to meet our most immediate needs. Thus, this legislation focuses on a limited short-term measure to raise the annual cap, currently at 65,000, for temporary visas for highly skilled workers. Notably, the cap for this year was reached last week!

Mr. President, as I understand it, critics of this legislation have focused on two arguments. First, some argue that there is no real shortage in high tech workers. While this will be addressed in more detail in due course, let me just say that I think any member with doubts over which bureaucratic study to believe ought to check the help wanted ads in their Sunday home town papers. I think those long list of job vacancies for computer and engineering jobs tell the story.

Further, critics argue that in exchange for this modest, five year increase in temporary visas, we need vast new bureaucratic requirements to protect American workers.

Mr. President, we will debate this question in more detail later, but let me respond briefly now.

First, I think the record is pretty clear that the temporary use of a limited amount of foreign talent—many of whom have attended U.S. universities and graduate schools—creates more, not fewer jobs for Americans. It also insures that American employers do not move to other countries with more and cheaper labor.

Second, there are already important limits in the law to make sure this program is not abused and that these visas

are not used to hire cheaper labor. This bill enhances both the limits and restrictions on the use of these visas.

But at some point, Mr. President, you can go so overboard that a program becomes a bureaucratic nightmare of regulation and it is just not worth it, particularly for small and medium sized employers. I think that some of the alternatives proposed here—in response to a five year increase in temporary visas by about 25,000 a year—cross that line.

Finally, as we debate these so-called "labor protection" provisions, I think we need a little perspective here on what aspect of our immigration policy really puts American jobs at risk. (A) We have hundreds of thousands of illegal immigrants entering this country every year on top of the estimated 5 million illegal immigrants already here. (B) This Administration has a terrible record of failing to identify and deport criminal aliens who are released from prison and remain in this country. (C) We have a horrible situation of an inestimable number of smuggled immigrants being used as slaves and indentured servants.

I think that these areas ought to be our principal focus if we want to protect jobs for American workers, not finding more bureaucratic hurdles for a small and limited program with a history and record of little abuse.

I want to close for now, Mr. President, by recognizing the hard work and leadership of the Chairman of the Judiciary Committee's subcommittee on Immigration, Senator ABRAHAM.

I urge my colleagues to pass this important bill.●

Mr. ABRAHAM. Mr. President, Senator HATCH had hoped to be present for the launching of this legislation, and when last week it appeared, on either Wednesday or Thursday, that was going to take place, he was going to be in the manager's chair, at least initially, to begin the debate. He is not able to be here today, so we wanted to make sure his statement was included at the appropriate spot in the RECORD, which we have just done.

Mr. President, we are here to discuss a piece of legislation, the American Competitiveness Act, which passed the Senate Judiciary Committee a few weeks ago by a 12-to-6 vote, a piece of legislation which is extraordinarily important, I think, to our country at this time if we wish to remain strong and competitive and wish to have an economy that continues to grow with the success we have seen in recent months.

Basically, we are learning as we examine the economy that a very substantial reason for the recent economic growth stems from the tremendous success we have had in the development of our high-technology industries. Frankly, we are growing in those areas so fast that our labor force cannot even keep up with the speed of that growth. Indeed, studies conducted by a variety of organizations have suggested that we currently have a gap between

the number of jobs in the information-technology and high-technology areas and the number of workers needed to fill them.

A study by Virginia Tech University has indicated that there are an estimated 340,000 current vacancies in information-technology jobs in America today. A study by the U.S. Department of Commerce indicates a projected growth of information-technology and high-tech jobs over the next decade of approximately 130,000 per year, and yet that very same study suggests we will only be producing something in the vicinity of 25 percent of the graduates needed to fill these jobs over that time-frame. Clearly, that suggests we have to get busy to make sure that our educational system, our job training system, and so on, meet these challenges.

We also know that this isn't just a bunch of statistics. You need only pick up the want ads of a newspaper or trade journal today and browse them and you will see, as these various newspapers I have here today suggest, the spectacular number of jobs available in these areas—high-tech jobs going unfilled, companies not able to find the skilled workers needed to fill them.

At the same time, the extent to which companies are being forced to improvise in order to meet this challenge is also interesting as well. Recently, in fact, in the Washington Post, we read of the story of various young people in high school in Fairfax County, VA, who are being tapped to fill some of these positions. In fact, I ask unanimous consent to have printed in the RECORD at this time one such story.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 1, 1998]
TEENS WITH TECH TALENT RISE TO TOP; NOT EVEN OUT OF HIGH SCHOOL, COMPUTER JOCKS RAKE IN BIG BUCKS

(By Eric L. Wee)

Life is good. That's what Doug Marcey will tell you as he sits in his basement on this Friday morning.

While others fight their way to the office, he's writing computer code in his jeans and bare feet in front of two blazing 21-inch monitors. The job pays well. For his work three days a week, a software company forks over \$50,000 a year, enough to rent his three-bedroom town house in Fairfax County. Not a bad life.

Especially considering that Doug Marcey is only 17.

Computer companies in Washington and elsewhere, facing a shortage of tech talent, increasingly are turning to teenagers such as Doug to help fill out their employment rosters. Computer jocks as young as 14 are working as programmers, graphics artists and Web page designers, some of them drawing very adult salaries, using skills acquired in high school classes and during hours of surfing the Internet.

The rich job market even has some of the teenagers facing the sort of decisions that gifted athletes make: Do I stay in school or turn pro and make some big money?

"I got tired of high school," said Doug, who last fall chose not to return for his senior year at Fairfax's Thomas Jefferson High School for Science and Technology.

"It got too boring. I took all the computer courses I could and basically learned all that I could," said Doug, a 6-foot-4-inch baby-faced teenager in new Armani glasses who figures he'll still get a college diploma. "I was realizing that I could go out and work. . . . The cool thing about computers is that I can make lots of money doing what I really like doing."

So three days a week, Doug does everything from Web site work to helping make the company's programs more enticing to customers. The rest of the time, he takes classes at George Mason University. He's considering working full time, which would bump his salary to \$70,000.

David Rosenfeld hired Doug at Nu Thena Systems Inc., a McLean company that creates software programs to let places such as Boeing Co. and the Jet Propulsion Laboratory model and test ideas on computers.

Rosenfeld figured if he didn't snap up Doug, someone else would. Indeed, Doug said he got a half-dozen offers after his junior year.

"There aren't that many programmers out there that are really creative," Rosenfeld said. "There are plenty who will do what you tell them to do, but there aren't many who can see a new way to do things. That's another tier of people, and I thought Doug was one of them. If you can get your hands on someone like that, you never let them go."

Washington area computer executives say that it's unclear how many teenagers are getting full- and part-time work from the area's high-tech companies but that they're sure it's becoming more common. The Washington Post interviewed nine such teenagers.

Nationally, the U.S. Department of Labor says, 22,000 teenagers ages 16 to 19 worked in the computer and data-processing industry last year, more than four times the number three years earlier.

Mario Morino, one of the Washington area's early successful technology entrepreneurs who now runs a Herndon-based technology think tank, said the nationwide shortage of high-tech workers has made those teenagers more attractive to companies. But even without the labor drought, Morino said, the youths would be enticing because of their incredible skills.

Employers say teenagers have an advantage in the cyber job market because they're often up on the newest technologies. While adult workers have time commitments such as families, teenagers can spend hours on the Internet, downloading and experimenting with the latest programs.

Federal work regulations don't allow anyone younger than 14 to work for pay. And 14- and 15-year-olds can put in only 18 hours a week during the school year. Those restrictions disappear at 16. The rules are there in part, Labor Department officials say, to make sure that work doesn't interfere with studies.

That's a concern of Donald Hyatt, director of Thomas Jefferson High School's computer laboratory. He said he constantly gets requests from companies for prospective employees and doesn't have enough students to fill all the summer internships offered. Every one of his seniors, he said, could leave school and make a large salary.

But he tries to convince them that they won't develop to their full potential that way. College offers opportunities to learn from top programmers, he argues, not to mention the value of getting a solid, broad-based education. And when it comes time for cyclical layoffs, he adds, those without college degrees often will be the first to go.

Seth Berger, a sophomore at Langley High School, isn't so sure. He said his computer work has taught him much more than any class. Seth looks like any other 16-year-old.

He wears faded jeans and Nike Airs. He says "cool" often, and when he smiles, his braces show. But Seth is the computer graphics core of a company called Creative Edge Software Inc.—maker of a new martial arts computer game called "The Untouchable."

Travis Riggs, Seth's boss, said that soon after he was hired last year at age 15, it became clear that Seth was the company's best computer graphics specialist. Seth will get a percentage of the net profits from the game, which he said could add up to more than \$50,000. Riggs has hired him for a second game and made him the sole computer graphics artist, bumping his cut to a six-figure sum if the game does well.

"I don't know if I'm going to go to college, especially since I can make money like this," Seth said. "If college costs 25 grand, for me it's going to cost \$25,000, plus that I could be making. I'm going to go to college and spend [the equivalent of] \$80,000 a year, to learn stuff I already know? That doesn't make sense to me when I look at it that way."

His mother, retired physician Amy Dwork-Berger, said she and her husband have accepted that Seth probably won't attend college. She sees him as an extremely bright person who would be frustrated by college's regimentation. And she sees his success in computer work as a positive influence on his life.

"It's been marvelous," she said. "College isn't the only way to learn. Seth doesn't fit the mold, and to make the most of his potential, you have to let him do what he needs to do. . . . He's happy. He's good at it. What more could a parent want?"

Bruce Hurwitz takes a somewhat different view for his son, Gus, 17, who worked last summer for Netrix, a Herndon computer networking company. Gus also sells a program over the Internet that lets people access their computers remotely or set up Web pages. That now brings in from \$750 to \$2,500 a month.

Gus said that last year he was seriously considering not returning for his senior year, in part because computer work seemed more challenging. But he decided to stick with school and college plans after talking it over with his parents.

His father, a data communications executive for a French company, said he has worked to explain to Gus that college is a valuable time for exploring new, varied interests. And he warns his son that he won't always be the young hotshot, because new technologies will surface down the road.

"I'm nervous that he's 17 about to go on 40," he said. "I want him to be a child and enjoy himself. I want him to be exposed to the liberal arts and other things. I don't want him to be just a computer guy."

But as a computer guy, Gus is clearly exceptional. He tackled some of the company's most difficult tasks at the bargain rate of \$9 an hour. Netrix's senior engineers "had their jaws to the ground" in amazement as Gus showed them new ways of doing things.

Randy Hare, Gus's former boss, estimates that Gus is as qualified as a typical senior-level system administrator in his thirties making \$80,000 a year.

Although employers rave about such young computer aces, they say hiring teenagers can complicate workplace dynamics.

Datametrics Systems Corp., in Fairfax, got a taste of that when it hired Brent Metz, now 17, for the last two summers. The company, which sells a program that examines large computer systems for inefficiencies, gave Brent a project predicted that it would take him six to eight weeks. He finished it in a week and a half.

"I think there were a couple of [adult programmers] who felt threatened," said Grady

Ogburn, a manager at Datametrics. "Up to that point, their programming efforts were shrouded in mystery. * * * They're experienced programmers taking x number of weeks to accomplish tasks, and everybody thinks that's a reasonable amount of time. Now here's this 16-year-old bringing all those estimates into question."

Brent's salary soon shot to \$20 an hour, and Ogburn believed he was worth double that. Now Brent is starting his own Web page design company.

Although the junior employees generally blend in, employers say, you can't get away from the fact that they are, well, young.

Seth Berger's employer often has someone spend nearly an hour traveling to pick him up after school and bring him to the Dulles area office, because he can't drive yet.

A California software company that hired a 10-year-old for the summer two years ago had to get used to seeing its new software evaluator play with the copy machine on his breaks. They also had to accept the grammatical errors in his reports—understandable because he learned to write only a few years before.

But most say the young people's raw enthusiasm can be like a shot of adrenaline for other company employees. And Rosenfeld, like other bosses, said he'll give some jobs to 17-year-old Doug Marcey rather than an adult programmer because Doug doesn't yet know "what's impossible." Adults might give up, he said, but Doug will keep pushing.

Elliott Frutkin also believes in young talent. Last summer, he dug through 200 resumes but still couldn't find the right person to create graphics for his Georgetown startup Web page company, Ideal Computer Strategies. Finally he found the person he was looking for: the company's 14-year-old unpaid intern, Josh Foes.

Frutkin said Josh, unlike others, could do advanced graphics work and understood how to translate the customers' concepts onto the computer. His pay jumped to \$10 an hour and later to \$25 an hour for urgent projects.

Josh, now 15, said it's changed the way he thinks about money. He recalls a friend who worked at a toy store saying he made more than \$100 after putting in a long week. "That's the kind of thing I could make in a day, not working very hard," Josh said.

Now Frutkin does everything he can to entice Josh back, including offering to pay him an hourly rate equal to at least \$35,000 a year.

"In today's market, it's impossible to find someone with those skills," Frutkin said. "The next ad I run may be in a high school newspaper rather than The Washington Post."

Mr. ABRAHAM. This story basically says, "Teens with tech talent rise to the top. Not even out of high school, computer jocks rake in big bucks." And it talks about how high school students working just part time are making \$50,000 here in the Virginia suburbs filling some of these high-tech jobs for which it is difficult to locate sufficiently skilled personnel.

The unemployment rate, of course, as we all saw in the most recent numbers, is at a 30-year low, and that is great news. We want to see the unemployment rate go lower. But the fact that it is so low buttresses what these various statistics I have just described suggest; namely, that we are at a point now where we are having a hard time filling these high-tech jobs. And if we don't fill them and if the expansion can't continue, I fear we will start to see the

unemployment rate going in the other direction, because we will not be able to sustain the economic growth we have and because, as a consequence of that, we will also start to see American companies forced to look elsewhere for the employees they need.

But the bottom line is this. There is a gap, and what we need to do, in my judgment, to address it is to provide both a short-term solution and a long-term solution as well. The long-term solution is very dependent on better targeting and more efficient operation of our job training programs and an educational system, a K-12 educational system, that gets more young people headed in the direction of filling these jobs as well as a higher education system that properly trains them to take these jobs.

The legislation which we have for consideration today, as I will indicate a little later on, aims to address the long-term solution that we are seeking. But until the education system can adjust, until the job training programs can be reconfigured, we need to do something in the short term, and that is also what S. 1723 is about.

What we need in the interim is to attract and find, be able to bring to this country from anywhere on the globe where they might reside, the highest skilled workers we can find to fill these jobs until we can produce enough workers here in this country to fill them. And that is the goal of this legislation.

There is a program under the existing immigration laws that allows people to come into this country on a temporary basis to fill high-skilled jobs. This is a program which is called the H-1B visa program. Since its inception about 8 years ago, the H-1B program has had a cap of 65,000 visas per year that may be made available for highly skilled people to come to this country to fill the types of jobs we are talking about here today. Until the 1997 fiscal year, however, we had never reached the 65,000 cap. It was not assumed we would reach it when the program was originally created. It was set at a fairly high level—at least it seemed to be the case at the time. But in 1997 the cap was hit, Mr. President. It was hit approximately early in July of 1997. What that meant was that at that point and from that point forward until the end of the fiscal year, companies in desperate need of high-tech workers, unable to find them in the United States, were also unable to bring them here from another country.

We estimated at that time in the Immigration Subcommittee that the cap would be hit even earlier in the 1998 fiscal year, and our estimate was correct. The cap was hit 1 week ago Friday. It was hit, in other words, at the very beginning of May in this fiscal year. It is our projection that if we do not increase this cap, it will be hit even earlier in the 1999 fiscal year, perhaps as early as February.

What it means for this year is very simple. Companies in the United

States, high-tech companies that need skilled workers and cannot locate them here in the United States at this time—because in spite of all these want ads, there just aren't people adequately skilled to meet these specialized jobs—are not going to be able to bring another individual here until next October.

What that means in terms of its implications on the economy is very significant. There are a lot of ramifications to not increasing the cap. First, as I have alluded to already, there will be the potential to impair our economic growth. If we can't fill these jobs, the companies are forced to defer and delay the initiation of new projects and new product lines and a variety of other similar types of programs, then clearly it will have an impact and effect on economic growth. It means key projects will be put on hold. And we have a list. Since this cap was hit the other day, Mr. President, I have heard from an array of companies indicating that they envision in this year being forced to either take people off payroll or not to hire prospective candidates because they will not be able to get the talent they need to fill these key spots.

I ask unanimous consent to have printed in the RECORD the full list.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS ENDORSING THE AMERICAN COMPETITIVENESS ACT (S. 1723)

BUSINESS ORGANIZATIONS

American Business for Legal Immigration.
American Council of International Personnel.
American Electronics Association.
American Immigration Lawyers Association.
The Business Roundtable.
Business Software Alliance.
Computing Technology Industries Association.
Electronics Industry Association.
Information Technology Association of America.
National Association of Manufacturers.
National Technical Services Association.
Semiconductor Industry Association.
TechNet.
U.S. Chamber of Commerce.
Motion Picture Association of America, Inc.
PHARMA.
ETHNIC ORGANIZATIONS
Advocates for the Rights of Korean Americans.
American Arab Anti-Discrimination Committee.
American Association of Physicians of Indian Origin.
American Latvian Association in the United States.
Congress of Romanian Americans.
The Indus Entrepreneurs.
Joint Baltic American National Committee.
Korean Americans Association.
Lithuanian American Council.
National Albanian American Council.
National Asian Pacific American Legal Consortium.
The Polish American Congress.
Portuguese-American Leadership Council.
Slovak League of America.
U.S. Hispanic Chamber of Commerce.

U.S. Pan Asian American Chamber of Commerce.

National Federation of Filipino American Associations.

Emerald Isle Immigration Center.

India Abroad Center for Political Awareness.

B'Nai B'Rith International.

National Immigration Forum.

Immigration and Refugee Services of America.

UNIVERSITY ORGANIZATIONS

American Association of Community Colleges.

American Association of State Colleges and Universities.

American Council on Education.

Association of American Universities.

College and University Personnel Association.

Council of Graduate Schools.

Madonna University.

Michigan State University.

Michigan Technological University.

NAFSA: Association of International Educators.

National Association of Independent Colleges and Universities.

National Association of State Universities and Land Grant Colleges.

University of Michigan.

MICHIGAN ORGANIZATIONS

Bay de Noc Community College.

Citation Corporation-Automotive Sales & Engineering Division.

Compuware Corporation.

ITT Industries.

Energy Conversion Devices, Inc.

Michigan Manufacturers Association.

Swiftech Computing, Inc.

ERIM International, Inc.

Lansing Regional Chamber of Commerce.

Meijer Corporation.

Northern Initiatives.

Phillips Service Industries, Inc.

The Right Place Program-Grand Rapids.

Sensors, Inc.

Software Services Corporation.

Suomi College.

Superb Manufacturing, Inc.

LEADING SCIENTIFIC AND MEDICAL RESEARCH

ORGANIZATIONS

American Society for Biochemistry.

American Society for Cell Biology.

Association of Independent Research Institutes.

Biophysical Society.

Genetics Society of America.

OTHER ORGANIZATIONS

Americans For Tax Reform.

Empower America.

EDITORIAL ENDORSEMENTS

The Washington Post.

Washington Times.

Miami Herald.

Detroit News.

Ann Arbor News.

Seattle Times.

The Courier-Journal, Louisville, KY.

The Atlanta Journal.

Chicago Tribune.

The Columbia Dispatch.

Fairfax Journal, Fairfax, VA.

Crain's Detroit Business.

Mr. ABRAHAM. Let me just mention a few of the companies we have heard from already: Intel, IBM, Hewlett-Packard, Ford Motor Company, Eli Lilly. The list goes on and on, and it spans a variety of areas from medical research to information technology. And as those projects go on hold, it means not only that the company will not be growing as fast as we would like

to see, it also means that we will not be filling as many new job opportunities with people WHO currently are hoping that those companies will begin their new product lines. It is estimated by the Hudson Institute that if we don't increase this cap, we could see a significant impact on economic growth. They have even projected it to be as much as \$200 billion in lost output. That almost works out to nearly \$1,000 for every man, woman and child in the United States.

But the ramifications actually go beyond simply not being able to fill those positions until next October. There are other implications as well. For example, if we can't hire these talented people and bring them here now, foreign competitors can and will fill that gap, and we will lose people to other countries who will then be the ones developing the technologies that we are talking about. At the same time, if we don't even reach the cap and if American companies can't bring the talent here to fill their needs, it increases the possibility—in fact it is a very real possibility—that they will begin to move some of the operations we are talking about overseas. That means we don't just lose that one job which we are attempting to fill through a temporary worker. It means existing jobs in the United States could be lost if product lines of divisions, if new projects, are initiated in another country.

Obviously, we don't want to lose American jobs simply because we can't get certain specific skilled workers to this country to begin these kinds of operations. The types of operations we are talking about are also very significant. We are not just talking about a new widget being developed. We are talking about dealing with enormous important problems confronting our country at this time. We have all heard in recent weeks from Senator BENNETT, our colleague from Utah, who is the Senate's foremost expert on the problems we confront with the year 2K situation. Now, we have a Senate task force to examine those issues specifically with what the intent is for us in the Senate, but what we clearly know is there is not one sector of our economy that is not going to be impacted by the year 2K problems.

I have heard from numerous companies and numerous individuals trying to meet the year 2K challenges, who said it is absolutely vital that we increase the H-1B visa program at this time so we can bring in sufficient talent to deal with the year 2K problems between now and the end of 1999. Yet, as I say, we have hit the cap.

I will be talking about this in greater detail as we go along this afternoon, but let me talk specifically about what our legislation would do to meet these challenges, both the short-term problem we have, such as the year 2K problem, and the long-term problem we are trying to address, the challenge of having enough American workers to meet the dramatic increases in job creation

in the information technology sector of the economy.

Our legislation would do the following: First, it would temporarily increase from 65,000 to 95,000 the cap on H-1B visas. That means an increase of 30,000 per year.

In addition, we have created as a safety valve—so we would have at least the possibility of congressional oversight and examination if we hit that 95,000 cap sooner than anticipated—a safety valve which would permit us to use up to 20,000 visas from the H-2B program, if such visas were available and unused by that program in the previous year. As I say, our legislation has a 5-year sunset to it. In short, we tried to make this a short-term rather than a long-term focus piece of legislation in the hope that in that 5-year period we can develop through job training programs and our educational system the talent we need right here at home. So it would be a 5-year program. Those increases we have mentioned would be for 5 years.

In addition, starting in the 1999 fiscal year, we would separate out of the H-1B program health care workers, and create a new category, the H-1C program with a limit of 10,000 annual visas for health care employees. We do that because a number of people have expressed concerns about the high-tech program, the skilled worker program. That addresses concerns that if we make this significant increase in the numbers, too many of those will end up being used in areas which do not necessarily, right now, seem to have the need that the high-tech information technology sector requires. So what we have decided to do in the legislation is essentially to create a new category of 10,000 visas that would be the limit annually for health care workers. That would reach 85,000 for the information technology and other high-skilled categories.

In addition, our legislation calls upon the INS to provide us with more information with regard to the H-1B program. One of the frustrations that we have all had, and I know the Senator from California and I have talked about this in the subcommittee when we discussed this program, is that we don't actually know how many workers are coming in, into various categories, because the records are not that explicit. We have records of who applies for these H-1B visas, but we do not and are unable to get a count on how they actually are distributed. We need that information if we are going to do the kind of long-term focus that I think necessary to properly oversee this whole program.

To that end, and in addition to getting numbers—thanks to an initiative that Senator KYL, a member of our subcommittee, has proposed—we include in the legislation the conducting of a study by the National Science Foundation to try to more accurately gauge our high-tech, skilled worker needs.

During the deliberations on this legislation in the committee when we had our hearings and so on, a lot of different issues were raised as to what the real long-term needs will be. Senator KYL, I think, has wisely proposed because our program is a 5-year program with a sunset that we, in a shorter period of time, study the actual situation, what the real needs are today, what are likely to be long term, to determine whether the projections in such things as the Commerce Department study bear out.

Finally, as I said, our legislation is aimed at being both a short-term as well as a long-term fix. The short-term fix is to increase the number of H-1B visas. The long-term fix is to provide various mechanisms by which American workers can be trained to fill these jobs. Thus, a key part of our legislation is a scholarship authorization which authorizes funds for scholarships in science and math for needy students. We have worked very closely with the Senate Labor and Human Resources Committee on this part of the legislation. We will be talking about it, I think, a little bit later. We have worked with Senators COLLINS and REED who have been involved in the higher education reauthorization bill to try to make sure our language tracks the language in that legislation. And we believe that, by focusing more resources on science and math and computer science training, we can have an excellent chance of meeting some of the long-term needs that have been referenced in my remarks today.

That is essentially what the legislation attempts to do. It also attempts to provide protection, protection for American workers to make certain the H-1B program is not abused. Already in the existing program I believe there is a very firm set of protections that stand as safeguards for American workers. Essentially, what those protections are is a requirement that anyone who brings somebody to this country under the H-1B visa program must pay that individual the higher of the prevailing wage or the salary in their company paid to people of like experience and skill. We think that is a pretty effective approach and it has proven to be effective. In the entire history of the H-1B program there have been only eight willful violations determined to have existed. But it was our view that if we were going to increase the numbers we should also increase the vigilance with which we look at this program and the penalties against anyone who might seek to take advantage of it.

So in addition to the aforementioned components of the legislation, our bill does the following: It increases from \$1,000 to \$5,000 per violation the fines to be imposed on any company that fails to meet that standard I indicated of requiring an H-1B individual to be paid the higher of the prevailing wage in the industry or the actual salaries paid in that company for this type of position.

Furthermore, in an attempt to make certain that no one in any way attempts to lay off an American worker to bring in an H-1B employee, we impose a \$25,000 fine per violation and a 2-year debarment from the program where anyone violates the prevailing wage rule and it is determined has laid off somebody to fill the position with an H-1B worker.

In short, I think we have taken the steps necessary to guarantee that abuses in this program will not occur. And, as I said, at least in its history so far, very few have occurred. The legislation enjoys broad support, support here on the floor of the Senate on a bipartisan basis, support throughout the business community. It has been endorsed by the United States Chamber of Commerce, the National Association of Manufacturers, Tech Net—a high-tech trade organization—the Information Technology Association of America, the Motion Picture Association of America, and numerous other organizations.

It, likewise, enjoys broad support of the academic community, because many of these H-1B workers actually come to the country and assume jobs in academia teaching American kids the skills needed to fill these high-tech jobs. As a consequence, the legislation is endorsed by the Association of American Universities, the National Association of State Universities and Land Grant Colleges, and the American Council on Education.

It is similarly supported by a broad array of heritage groups, including the National Asian Pacific-American Legal Immigration Consortium, National Immigration Forum, the U.S. Hispanic Chamber of Commerce, the Polish-American Congress, B'nai B'rith, and a variety of others.

I will summarize later why this legislation must be passed, but I think in this opening statement I have laid out the key essentials. Right now, against the backdrop of very low unemployment in this country, we have a shortage of skilled workers. We need to address that on both the short- and long-term basis. Our legislation tries to do both.

In the short-term sense, we increase the cap on H-1B workers to come to this country. We need that or else we are going to see American jobs lost, not gained. This is not a zero sum situation, Mr. President. Without change in this cap, without doing it soon, we will start to see a very significant impact, I believe, in our high-tech industries.

Mr. President, I yield the floor. We expect to have additional speakers on our side as the afternoon goes on.

Mrs. FEINSTEIN addressed the Chair.

THE PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Mr. President, very shortly, Senator KENNEDY, the ranking member of the Immigration

Subcommittee of the Judiciary Committee, will be presenting an amendment which I will strongly support. It is very similar to the amendment which was offered in committee, proposed both by the Senator from Massachusetts and myself representing California. I voted for it then, and I will vote for it now.

I did in committee also vote for the Abraham bill, because Senator ABRAHAM is correct, there is a problem. The high-tech industry is consistently turning to foreign nationals to fill low-level computer-related jobs.

In my State of California, this is a very big deal. High tech currently provides about 814,000 jobs in California. That is 18½ percent of the total California employment. So it is a substantial industry. When this industry says to their Senator, "We can't hire high school or college graduates to fill our needs," I obviously have to be very concerned.

I have become very saddened by our high-tech CEOs who repeatedly tell me they cannot find qualified workers. As a matter of fact, during the hearings in the Judiciary Subcommittee, we even heard one CEO say that they advertised a brand new, I think it was a Ford Mustang for any individual who would take one of these computer-related jobs.

Senator ABRAHAM is correct, the industry will reach the cap of 65,000 by May of this year. As Senator ABRAHAM stated, this presents a very serious problem.

Let's talk for a moment about this 65,000 cap and the way it is now. The 1996 Labor Department report shows that only 41 percent of the H-1Bs presently are computer-related professions. Another 26 percent are physical therapists and health professionals. It is not only computer-related people who are presently coming into this country on a H-1B visa, 26 percent of them are physical therapists, which is kind of canny to me to think we can't find American health therapists for these jobs? The IG's report also shows that some H-1B employers have contracted their employees out to other companies functioning as job shops, companies that hire predominantly or exclusively H-1B's and contract them out. Current law does not prohibit this practice of running these job shops, despite the concern that these job shops are paying the H-1B's less than the prevailing wage and have a negative impact on the American worker's ability to keep his or her job.

The 1996 Labor Department report also indicates that 48 percent of employment-based, permanent immigration is admitted through the H-1B program, and this is a major point I want to make. The H-1B program is not necessarily just a temporary worker program. Fifty percent of these workers achieve permanent status and remain in this country essentially forever. This is a big problem.

From the CRS report on this issue, dated May 13, 1998, I read the following:

In practical terms, the H-1B visa links the foreign student to legal permanent residence. Anecdotal accounts—

And I think Senator ABRAHAM mentioned correctly that we really don't know; the recordkeeping in this program is very bad—

Anecdotal accounts tell of foreign students who are hired by U.S. firms as they are completing their programs. The employers obtain H-1B visas for the recent graduates, and if the employees meet expectations, the employers may also petition for the non-immigrants to become legal permanent residents, through one of the employment-based immigration categories. Some policymakers consider this a natural and positive chain of events, arguing that it would be foolish to educate these talented young people, only to make them leave to work for foreign competitors. Others consider this a pathway program.

This is really my point and my concern about the Abraham legislation. The Abraham legislation essentially is a 5-year program, and over 5 years, it would permit 555,000 new foreign nationals to come into this country, 50 percent of whom would remain. This is the 555,000 that is specially targeted for high tech by the Abraham legislation. However, the Abraham legislation also provides an additional 10,000 workers per year for non-high-tech jobs. That is a total of 50,000 over 5 years. So when you add that together over 5 years, this is an additional 605,000 foreign workers coming into this country, taking jobs which many of us believe should be filled by American young people, American high school and college graduates. This is over a 77-percent increase in numbers, Mr. President.

The amendment that Senator KENNEDY will offer is essentially a 3-year program which is a total of only 270,000 workers coming in targeted for high tech over the 3 years. The program would sunset after 3 years, and we would have an opportunity to take a good look at that program at the end of that period of time, hopefully have better records by then and hopefully be better aware of what the needs are after that period of time.

I mentioned that there are about 815,000 high-tech workers in this country in California alone. So this is really a huge new immigration program over 5 years. Nobody should think to the contrary. It will let in over 600,000 foreign nationals, one-half of whom, by our own past statistics, will remain in this country as legal aliens able to work in this country. In other words, they will have green cards, and they will continue to go from temporary worker to permanent worker, thereby taking up a job which an American young person could occupy.

Now, this troubles me. It really troubles me. And the reason it troubles me is because these workers are not necessarily superstars. The superstars come in. These are lower level computer programmers. They really are \$50,000-a-year job occupants.

As a matter of fact, there is a chart that essentially shows the salaries.

Seventy-five percent of the workers who have been coming in under this program are at salaries from \$25,000 to \$50,000. So these are not, in the main, the jobs of \$100,000 or more. These are exactly the jobs that graduates of the new age, graduates into the global economy from our schools all over the United States should be taking to develop a sinecure in an industry that is only going to bloom in the future.

So I am troubled by the Abraham bill's numbers. Again, they are 605,000 over 5 years. And 550,000 would go for high-tech workers as opposed to the amendment that Senator KENNEDY will shortly make, which would be a 3-year program, 270,000 jobs.

Mr. President, I yield the floor at the present time.

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Mr. President, thank you.

I would like to put a couple of points into perspective, first of all, which relate to the statements of the Senator from California with regard to the numbers. I indicated in my opening statement we have a very significant problem just understanding exactly what the numbers are.

For instance, the issue with respect to physical therapists taking 26 percent of these positions—we do not know that is the percentage of applications that have come to INS. And our legislation attempts to do two things to address it.

First, it attempts to force INS to tell us not what the application numbers are but who actually gets the H-1B positions. We need to know that to shape this program more effectively.

Second, with respect to health care workers and physical therapists, and so on, our legislation actually attempts to put a cap on that category of 10,000, so that, in fact, 26 or 30 percent of whatever of the H-1B visas cannot go into that category. The legislation that the Senator from California alludes to, that would not put that cap in place, means that literally all of the positions could go to these categories that I think most of us would agree do not need to be filled with H-1B workers. In fact, our legislation, the bill before us, attempts to move us in a direction to attempt to address that problem.

Next, with respect to the actual numbers themselves, the statistics of the Senator from California are not accurate. Currently, if we do nothing legislatively, 325,000 people will come in over the next 5 years under the H-1B program. Our legislation increases that amount by 30,000 per year to 475,000. And the amount that was referenced with respect to health care workers comes out of that 95,000. It is not in addition to the 95,000; it is 10,000 under the 95,000 per year cap. So the numbers that were just referenced simply are not correct.

Lastly, I would like to just comment this is not a bill about foreign exchange students, but I just say this: We

already have in place a system by which individuals can get permanent green cards annually. Approximately 140,000 such cards are available each year. We do not use all of those. So whether or not people coming in under the H-1B program end up becoming permanent employees has not forced that number higher. We do not even use the 140,000. But to the extent that we do use permanent green cards for anyone, it seems to me, at least, that it makes more sense for the people who receive them to be people who came to the United States, were trained in our colleges, then worked in our companies and paid taxes. It seems to me they are more valid permanent green card recipients than individuals who did none of the above.

Why should we train people at our colleges to take on these very important 21st century jobs and then see them leave and go work for foreign competitors? Again, it would make some sense to bring that issue up if we were going to be limiting the number of permanent green cards available on an annual basis, but this legislation does not attempt to do this, nor was that part of anyone's proposal.

So I think, in sum, that the earlier statements I made remain accurate and certainly are on point to deal with the worker shortage we confront right now.

Mr. President, I yield the floor.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER (Mr. INHOFE). The Senator from Missouri.

Mr. ASHCROFT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. FEINSTEIN. The amendment that the Senator from Massachusetts will propose will not have a 3-year limit on it at this time. That was our bill we had in committee. Rather, it will require that employers look for American workers first before they hire foreign workers and that they have not laid off American workers 6 months prior or 3 months after they put in an application.

So I am happy to be able to make that clarification. And I believe Senator KENNEDY will be here momentarily.

I yield the floor.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. ABRAHAM. I yield 5 minutes to the Senator from Missouri to speak on the bill.

Mr. ASHCROFT. I ask unanimous consent at the conclusion of the 5 minutes speaking on this bill that I be able to continue for 10 minutes as in morning business to address other issues.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ASHCROFT. Thank you, Mr. President.

I want to begin by thanking Senator ABRAHAM of Michigan for his attention to this very important issue. It seems to me that this is a fundamental issue that relates to the success and survival of this culture in the next century.

The long-term impact of a Government-imposed shortage of high-tech workers is clear. If workers cannot come to these jobs, then the jobs will have to go to the workers.

We have an option here, an option of whether or not we bring workers to these jobs and have the industry in the United States or these companies decide to take these jobs to wherever the workers are otherwise.

Let us not fool ourselves. There are several countries that have the resources to begin a strong technology sector. I believe it would behoove us to make sure that the technology sector continues to exist in the United States of America.

Some of my colleagues seem to view this bill too narrowly. They view it as an immigration issue and an immigration issue alone. My colleagues are not to be blamed for wanting to make certain that Government policies respect the needs and interests of American workers. This legislation, however, does not threaten American workers in any way. No one is being replaced.

We are not dealing with a situation in which legal immigrants are coming to the United States to compete with low-income, native-born workers or, worse yet, coming to live off the Federal dole. That is not the situation here.

The shortage of workers in this industry is well documented. Filling these jobs with skilled workers, whether born here or overseas, is in America's best interests. We have a chance to either import the workers or export the jobs. It seems to me that clearly we would want to bring in these critical workers who can sustain this industry and help us sustain it as an American industry.

Indeed, it would be a grave mistake, in my judgment, to send even any portion of this dynamic and critical sector abroad in search of workers. It would send the wrong signal. It would be the wrong strategy. The economic and national security benefits of keeping this industry in the United States are substantial. They should not be overlooked. This industry will continue to flourish. But if the U.S. Government needlessly restricts one of the key inputs—that is, the necessary labor for growing—it will flourish somewhere else. We don't need for this industry to flourish on someone else's shores. We want this industry to flourish on our own.

I understand some of our colleagues will seek to amend the legislation. These amendments have noble sound-

ing purposes and titles, but they are wolves in sheep's clothing. Excluding those that the subcommittee chairman has agreed to accept, these amendments are designed to kill the bill and should be defeated for that reason. Isn't it ironic that some Members are unwilling to help an industry do exactly what we want every industry in this country to do, and that is to become the best in the world. Some people want to keep our industry from attaining that standard.

We make the same mistake over and over again in Congress. We already are forcing the encryption industry to relocate to foreign shores through antiquated export restrictions, and now Members entertain amendments that will make difficult the United States success in the entire technology sector by restricting the import of needed skilled workers.

Perhaps the most disturbing amendments are those that would let loose a swarm of Federal bureaucrats into the high-tech industry to investigate hiring practices. Is this the role that we want Government to play in any industry—to create another set of regulatory hurdles that stifle growth and productivity? The energy of this recovery, the energy of our economy, has been provided by the high-tech industry, and it has been able to do so absent Government interference and control. I believe it would be an inappropriate decision, it would be a tremendous insult, and, frankly, an injury to this industry if we were to move Government in massively, as some of these amendments will propose.

As I have said before, we can allow workers to come to these jobs in America, or we can force those who want these jobs done to take the production facilities and the jobs that go with them someplace else. It seems that would be insanity. It does not take a highly trained computer expert to figure out what we want. We want to keep the jobs here. If we have the jobs here, and we can get the people, then keep the jobs here rather than export the jobs to where the workers may happen to be.

The technology sector of our country has had tremendous success by almost any measure—in productivity, in capital, in growth and in sales.

However, this thriving sector is running into a problem that even the best engineers cannot design around—a lack of individuals with the necessary skills to power the growth of American "high-tech" industries. The common approach of Silicon Valley of "Just Fix It" doesn't work in this instance—the engineers cannot overcome design flaws or test for efficiencies because the problem is imposed not by outdated technology but by the outdated laws of the federal government. The high tech sector has come to the federal government to ask for assistance in an area that is in the control of the federal government—the granting of visas to highly skilled technical workers.

I rise today to applaud an industry that is so dynamic that it has depleted the tremendous human resources available in this country so swiftly. We, as a nation, should take great pride in our technology sector, and even greater pride that this robust sector of our economy continues to thrive.

One frightening trend that has begun to emerge in this Congress is the consideration of laws that would directly involve the federal government in the operations of the technology sector. Any number of bills introduced with the best of intentions would have ignored budding and dynamic technology and instead imposed a quick legislative fix that would have remained in the code for years. This push for instant gratification and instant solutions will lead to disastrous results in the dynamic area of high technology. Instead, Members of Congress must start making the tough decisions on how to allow our technology sector to continue to be an engine of growth for our economy, continue to provide greater efficiencies for business, guarantee lifestyle enhancements to all people, and continue to position the United States as the world's technology leader. We need to focus less on imposing new government obstacles to tomorrow's technologies and more on removing government as an obstacle to growth in this dynamic sector.

This brings me to Senator ABRAHAM's legislation, the American Competitiveness Act. I am proud to be a cosponsor of this important legislation because it removes a government-imposed limit on the growth of the technology sector. We should all support the Abraham legislation as a means to facilitate the continued growth and success of an industry that is so important to our nation.

In closing, Mr. President, I must call attention to another troubling aspect of this debate, the glaring omission of leadership from the Clinton Administration. I am frustrated by this Administration's continuing talk of support for the industry of Silicon Valley. As I cast about in search of that support I find precious little. So I just ask—where is the Administration support for this important legislation? Where is the support for a well thought-out encryption policy, for the elimination of arbitrarily imposed taxation of the Internet—which currently remains international in scope but subject to tax by any municipality, or for leadership in confronting what may be the most dangerous threat to our economy, The Year 2000 bug? Mr. President, where was the Administration just two weeks ago when we were fighting to take a truly damaging provision on digital signatures out of the IRS bill?

I urge the Administration live up to its words and help us create jobs and growth in the technology sector. It is time for the Administration to stop talking the talk and begin walking the walk.

I urge my colleagues to support this legislation. I commend the subcommit-

tee chairman, Senator ABRAHAM, for his outstanding work in this respect. It is not merely an immigration bill; this is a bill that relates to the success of the high-tech industry, an industry in which America continues to be the No. 1 power.

What is the situation regarding time?

The PRESIDING OFFICER. The Senator has 10 minutes to speak as in morning business.

Mr. ASHCROFT. I thank you for informing me of that.

TOBACCO SETTLEMENT LEGISLATION

Mr. ASHCROFT. I rise in opposition to the massive tax increases that are contained in the so-called tobacco settlement. I want the Senate to know that I will fight to kill any tobacco bill that contains a tax increase of the magnitude being considered, \$868 billion.

The proposed tobacco bill is nothing more than an excuse for Washington to raise taxes and spend more money on Federal programs. It is a shame that bad decisions made by free people in Washington, DC, become the basis for a monumental task. The decision to smoke isn't a good decision, but it is something that people are free to do. And we are using it as the basis for an incredible and substantial tax.

Let me just say that this tobacco settlement is the largest proposed increase in Government and bureaucracy since the proposed health care scheme, which both this Senate and the American people had the good judgment to reject.

It would be a travesty for Congress to use tobacco as a smokescreen for imposing this massive tax increase on the people of America and to cover an expansion of the "nanny" state.

This massive tax increase would be levied against those who are least capable of paying for it. According to the Congressional Research Service, "Tobacco taxes * * * are perhaps the most regressive tax levied."

Here we have a tax that falls most heavily on poor people. About 60 percent of this tax would fall on families earning \$30,000 or less. Let me go to this chart. People earning under \$30,000 would pay 59.4 percent of this tax; people paying \$115,000 or more, 3.7 percent of this tax. This is nothing more or less than a massive tax increase, the incidence of which falls most heavily on poor families earning \$30,000 or less. I think many times these are young families—mom and dad, maybe a couple of kids—stretching to make ends meet on \$30,000 or less, and the lion's share, the overwhelming lion's share, is coming out of the pockets of individuals making less than \$30,000 a year.

According to the Congressional Research Service, households earning less than \$10,000 would feel the bite of the tax most of all. Smokers making less than \$10,000 would pay in excess of 5 percent of their income in additional

taxes. This is a massive tax increase on the poor. If Washington gets its way, cigarette excise taxes will rise by \$1.50 a pack. For someone who smokes two packs a day and whose spouse perhaps smokes one pack as well, this amounts to a tax increase of \$1,642.50 annually. And that tax increase for three packs a day on the family would be the same, whether the family was very poor or the family was very wealthy. To find out the magnitude of this tax, if you take \$1,642 a year out of the income of poor Americans, you are really impairing significantly their ability to provide for their families.

It is immoral for this Government to tell poor families, you cannot provide for yourselves; we are going to take the money from you and force you to come to the Government to ask us to provide for you. Moreover, the new taxes paid by someone smoking two packs daily would exceed the per capita tax relief contained in the Senate budget resolution by a factor of 50.

The Senate budget resolution proposed tax relief for America. For the average smoker, smoking two packs a day, they would have a tax burden added to them 50 times as great as the tax relief that we proposed in the budget. I think that is unconscionable. It is obvious that the most addictive thing in Washington is not nicotine, the most addictive thing is taxing and spending.

In the 15 years prior to 1995, Congress has passed 13 major tax increases. A list of those tax increases includes the Crude Oil Windfall Profit Tax of 1980, the Omnibus Reconciliation Act of 1980, Tax Equity and Fiscal Responsibility Act of 1982, Social Security Amendments of 1983. Last year's Taxpayer Relief Act was the first meaningful tax cut since 1981.

The tobacco tax increase will more than erase—more than erase—all of the benefit to the American people of the tax cut passed last year. The tobacco tax increase also exceeds by a factor of 3 the relief projected in the budget resolution passed by the Senate last month, even as it applies to the entire population, not just to smokers.

The Congressional Budget Office expects the budget surplus will swell to between \$43 billion and \$63 billion this year. Why is that? Taxpayers are working longer, they are working harder, they are paying more taxes. You don't have the swelling of revenue to the Federal Government because people aren't paying taxes; you have it precisely because they are paying taxes. Taxes are going up. And we should be debating how to return money to the taxpayers, not how to siphon more out of their pockets—especially out of hard-working Americans at lower-income levels. The proposed tobacco bill is nothing more than an excuse for Washington to raise taxes and spend more money on new Federal programs. I will fight to kill any tobacco tax bill that contains a tax increase of the magnitude being considered. It is an affront to the dignity of Americans and